

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK

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In re: : Chapter 11  
: :  
AÉROPOSTALE, INC., *et al.*,<sup>1</sup> : Case No. 16-11275 (SHL)  
: :  
Debtors. : (Jointly Administered)  
: :  
: Re: Docket No. 5  
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**DECLARATION OF NEIL J. BEATON IN SUPPORT OF OBJECTION OF AERO  
INVESTORS LLC AND MGF SOURCING HOLDINGS, LIMITED (F/K/A TSAM  
HOLDINGS, LIMITED) TO MOTION OF DEBTORS FOR INTERIM AND FINAL  
AUTHORITY TO (A) OBTAIN POSTPETITION FINANCING PURSUANT TO 11  
U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) AND 364(e), (B) USE  
CASH COLLATERAL PURSUANT TO 11 U.S.C. § 363(c)(2), (C) GRANT CERTAIN  
PROTECTIONS TO PREPETITION SECURED PARTIES PURSUANT TO 11 U.S.C. §§  
361, 362, 363, AND 364, AND (D) SCHEDULE A FINAL HEARING  
PURSUANT TO FED. R. BANKR.P. 4001(b) AND (c)**

I, Neil J. Beaton, make this declaration pursuant to 28 U.S.C. § 1746:

1. I am a Managing Director with Alvarez & Marsal Valuation Services, LLC (together with employees of its professional service provider affiliates, all of which are wholly-owned by its parent company and employees, its wholly-owned subsidiaries and its independent contractors, “A&M”), a valuation advisory firm with numerous offices throughout the country as well as internationally. I submit this declaration (this “Declaration”) in support of *Aero Investors LLC and MGF Sourcing Holdings Limited’s Objection to the Motion of Debtors for Interim and Final Authority to (A) Obtain Postpetition Financing Pursuant to 11 U.S.C. §§ 105, 361, 362, 364(c)(1), 364(c)(2), 364(c)(3), 364(d)(1) and 364(e), (B) Use*

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<sup>1</sup> The Debtors in these Chapter 11 cases and the last four digits of each Debtor’s federal tax identification number, as applicable, are as follows: Aéropostale, Inc. (3880); Aéropostale West, Inc. (7013); Jimmy’Z Surf Co., LLC (0461); Aero GC Management LLC (4257); Aéropostale Procurement Company, Inc. (8518); Aéropostale Licensing, Inc. (8124); P.S. from Aéropostale, Inc. (5900); GoJane LLC (4923); Aéropostale Canada Corp. (N/A); Aéropostale Holdings, Inc. (7729); and Aéropostale Puerto Rico, Inc. (6477). The Debtors’ corporate headquarters is located at 112 West 34th Street, 22nd Floor, New York, NY 10120.

*Cash Collateral Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, (C) Grant Certain Protections to Prepetition Secured Parties Pursuant to 11 U.S.C. §§ 361, 362, 363 and 364, and (D) Schedule a Final Hearing Pursuant to Fed. R. Bankr. P. 4001(b) and (c) (the “Objection”).* Except as otherwise noted, I have personal knowledge of the matters set forth herein and if I am called upon to testify, I can, and will, testify competently to the facts and opinions contained herein.

2. A&M’s professionals have extensive expertise in performing economic analyses and rendering opinions on the valuation of businesses, business interests, and tangible and intangible assets and liabilities. My primary areas of expertise include business valuations, mergers and acquisitions support, litigation consulting, and economic analysis. I have provided numerous valuations for retail businesses, including the valuation of the preferred stock of a retail clothing chain for plus sized women; the valuation of inventory and fixed assets of a retail business; the valuation of a large joint venture between two national electronics retailers; the valuation of a trademark for a large, national clothing retailer; several business enterprise valuations related to a regional adolescent-focused clothing retailer; the valuation of a national retailer of cutting edge clothing for adolescents; and the valuation of a trademark for a national t-shirt manufacturer and distributor.
3. I am a Certified Public Accountant and have achieved the designations of Accredited in Business Valuation (“ABV”) and Certified in Financial Forensics (“CFF”), sponsored by the American Institute of Certified Public Accountants (“AICPA”). I am also a Chartered Financial Analyst (“CFA”) under the auspices of the CFA Institute (“CFAI”) and an Accredited Senior Appraiser (“ASA”) under the auspices of the American Society of Appraisers.

4. Before joining A&M, I was the Global Lead of Complex Valuation at Grant Thornton LLP, and before joining Grant Thornton LLP, I was a shareholder in a boutique business valuation and economic consulting firm headquartered in Seattle, Washington. Additionally, I was previously employed by the Dun & Bradstreet Corporation, an international financial services conglomerate with interests in credit reporting, securities analysis, and financial management.
5. I am a member of the AICPA, the Washington Society of CPAs, the CFAI, and the Seattle Society of Financial Analysts. I am also a member of the Business Valuation Update Editorial Advisory Board, on the Panel of Experts for the publication, *Financial Valuation and Litigation Expert*, and on the Editorial Board of the National Association of Certified Valuation Analysts' *Value Examiner*. I am also a former member of the AICPA's ABV Exam Committee, former Co-Chair of the AICPA's Valuation of Private Equity Securities Task Force, and a former member of the AICPA's Mergers & Acquisitions Dispute Task Force, the Financial Accounting Standards Board's ("FASB") Valuation Resource Group, and the AICPA's National Accreditation Committee for Business Valuation. My complete Curriculum Vitae is attached as Exhibit 1, along with a testimony list covering the last four years as Exhibit 2, and a list of my presentations and publications in the last 10 years as Exhibit 3.
6. I have been asked to review and analyze the going concern value of Debtor Aéropostale Inc. ("Aéropostale" and/or the "Company") along with its affiliates (collectively, the "Debtors"), as it relates to the availability under the Debtors' proposed DIP financing of any equity cushion on the prepetition collateral value of Aero Investors LLC ("Aero Investors"), in its capacities as the administrative agent, collateral agent and lender under

the Prepetition Term Loan Agreement, and MGF Sourcing Holdings, Limited (f/k/a TSAM Holdings, Limited) (“Holdings”; together with Aero Investors, the “Term Loan Lenders”).<sup>2</sup>

**Summary of Debtors’ Historical Financial Results**

7. Aéropostale’s financial results for the twelve months ended January 31, 2014 (“FY13”) through the twelve months ended January 31, 2016 (“FY15”) are summarized in Table 1 below.



8. The foregoing table demonstrates that [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED] [REDACTED]  
[REDACTED]

According to Aéropostale’s Form 10K filed with the Securities and Exchange Commission on May 20, 2016, the Company’s poor financial and operating performance was the result of “declining mall traffic due to a

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<sup>2</sup> The Term Loan Lenders include (a) Aero Investors LLC, in its capacities as the administrative agent, collateral agent and lender under the Prepetition Term Loan Agreement, and (b) MGF Sourcing Holdings, Limited (f/k/a TSAM Holdings, Limited).

shift in customer demand away from apparel to technology and personal experiences, a highly promotional and competitive retail environment and a change in our customers' taste and preference."

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A 3x3 grid of nine black rectangles of varying sizes and positions. The rectangles are arranged in three rows and three columns. The top row contains three rectangles of equal size, centered horizontally. The middle row contains three rectangles of equal size, with the leftmost one shifted to the left and the rightmost one shifted to the right. The bottom row contains three rectangles of equal size, with the leftmost one shifted to the right and the rightmost one shifted to the left. The rectangles are solid black and have thin black outlines.

## ANSWER

10

A series of seven horizontal black bars of varying lengths, decreasing in size from top to bottom. The bars are evenly spaced and extend across the width of the frame.

## **Debtors' Enterprise Value – Methodology Overview**

11. My first task was to determine the most appropriate and relevant valuation approach to assess the fair market enterprise value of the Debtors. To perform this task, I utilized the

fair market standard of value, which the *International Glossary of Business Valuation Terms* defines as:

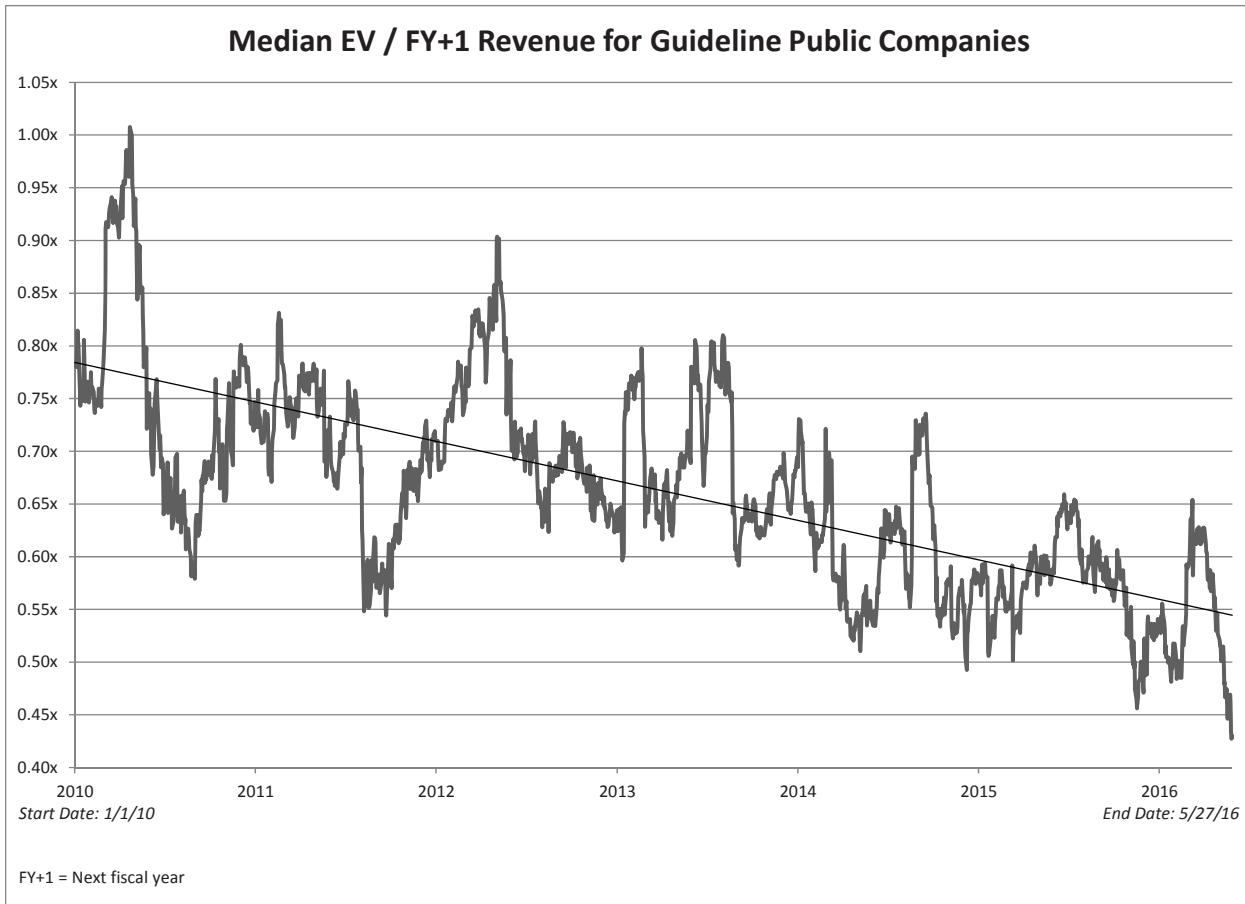
“The price, expressed in terms of cash equivalents, at which property would change hands between a hypothetical willing and able buyer and a hypothetical willing and able seller, acting at arm’s length in an open and unrestricted market, when neither is under compulsion to buy or sell and when both have reasonable knowledge of the relevant facts.”

The three basic approaches to determining the fair market value of a business are the income approach, the cost approach, and the market approach.

12. Under the income approach, the value of a business or a business interest is estimated as the present value of expected future benefits to be received by the owner. The present value of these expected future benefits is arrived at using a discount rate adjusted for the risk associated with these expected returns. A discounted cash flow method under the income approach is a common procedure used to value a business or business interest. When applied to a business or business interest, a discounted cash flow is based on a projection of future cash flows available for capital providers. The residual free cash flow represents the economic returns available to the providers of debt and/or equity capital. The present value of the invested capital cash flow from the projected periods plus the present value of the terminal period (to account for the value of benefits expected beyond the forecast periods), discounted at a weighted average cost of capital, reflects the enterprise value of the business. Enterprise value is a measure of the company’s total value, inclusive of both equity and debt.
13. I did not use the income approach due to the lack of available or reliable multi-year financial projections for the business and because the Company has had operating losses for the past three years which eliminated the use of single-period earnings models.

14. The cost approach to valuing a business is based on the estimated amount of capital required to replace the service capacity of the business or business interest being valued. The cost approach may be appropriate in certain circumstances where the premise of value is liquidation or the key underlying assets driving value are tangible and there is little or no goodwill. However, the cost approach is often not appropriate for valuing an operating business as a going concern because it does not explicitly take into consideration the goodwill and unidentifiable intangible value of a business. For purposes of my analysis, I valued Aéropostale under a going concern premise and therefore did not use the cost approach.
15. Under the market approach, the business being valued is compared to other companies with similar economic and operating characteristics. Within the market approach, the guideline public company (“GPC”) method is based on prices observed in transactions for shares of companies traded in the public markets. Similarly, under the market approach, the guideline company transaction (“GCT”) method uses prices observed for businesses or business interests acquired in a merger or acquisition. Since it is often difficult to identify companies that are exactly comparable to the subject company, sale prices for the observable transactions are often adjusted to reflect differences in investment risk and characteristics between the business being valued and the business to which it is being compared. An adjusted multiple is then applied to determine the value of the subject business or business interest under any one of several valuation metrics. Indications of value utilizing a multiple of revenue or EBITDA are common metrics for analyzing transactions; however, other metrics specific to an industry are also used where appropriate.

16. Under the market approach, I utilized the GPC method due to the availability of relevant data. Specifically, adequate and relevant data regarding the performance metrics of publicly traded companies engaged in the same or similar retail apparel business as the Debtors was identified that could be used to determine the Debtors' enterprise value.
17. In contrast, there is very little current or relevant data on transaction prices of similar companies. The lack of current and relevant transactional data is attributable, in part, to the ongoing decline of this segment of the retail apparel industry. [REDACTED]  
[REDACTED]  
[REDACTED] See Exhibit 4 attached for a list of recent bankrupt retail businesses.
18. This downward trend in the retail clothing industry, which shows the decline of median enterprise values for the selected peer group of guideline public companies from January 1, 2010 through May 27, 2016, is illustrated in the following graph.



19. The foregoing data points reflect the weak state of this segment of the retail clothing industry due to a number of factors, including a trend towards fast fashion, the de-emphasis of logo clothing, loss of market share to new e-commerce participants, and a highly promotional environment. As such, the transaction data for companies acquired is dated and reflects a different industry and economic environment than what is currently being observed, rendering the GCT method less relevant and reliable.
20. In determining the fair market value of an enterprise, consideration should be given to offers that may have been made with respect to acquiring the subject company or assets of the subject company. [REDACTED]  
[REDACTED]  
[REDACTED]

[REDACTED]

[REDACTED]

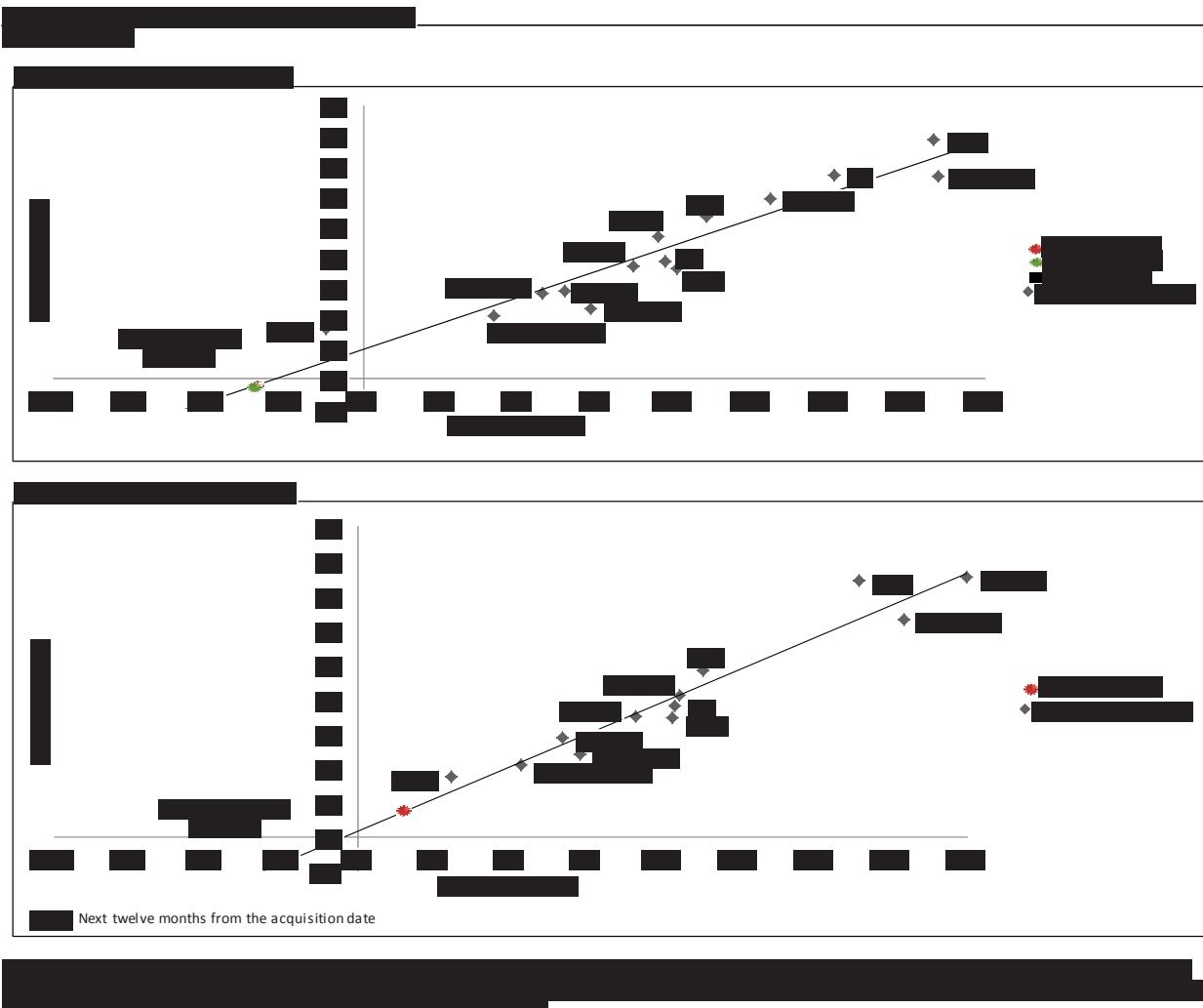
21. [REDACTED]

22. [REDACTED]

[REDACTED]

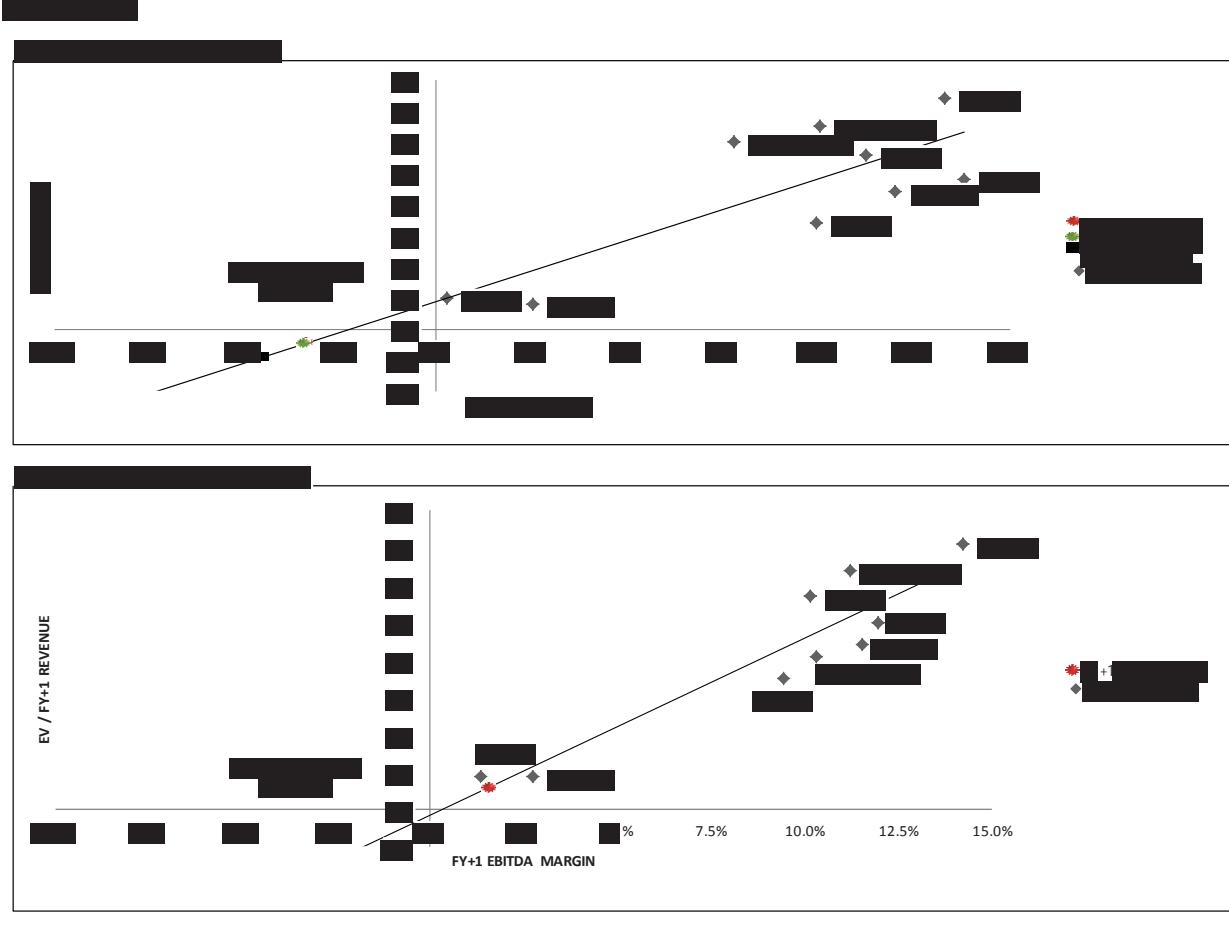
[REDACTED]

23. In my opinion, although the available transaction data is not relevant for calculating the fair market value of Aéropostale, it can be used to confirm that the valuation environment has shifted such that the more recent GPC financial data provides more reliable and relevant implied valuation multiples. While the guideline transactions are dated, I was able to obtain profitability data for the target companies I identified. Using the EBITDA margins of the target companies included in the group of guideline transactions, I performed a regression analysis to evaluate the relationship between profitability and value. The regression analysis indicated that historical and expected profitability of the target companies is highly correlated with value as indicated by their valuation multiples.
24. The following graph illustrates the regression analysis using the guideline transaction data, which consists of latest twelve months (“LTM”) and next twelve months (“NTM”) revenue multiples as well as LTM and NTM EBITDA margins. The plotted data on these graphs demonstrates the relationship between profitability (EBITDA margin) and valuation (enterprise value / revenue multiples). With high R-squared values (i.e., a high correlation), the analysis confirms the market pays higher amounts for companies with higher profitability and lower amounts for those with lower profitability.



25. A similar regression analysis using guideline public company data is provided in the following graph. This statistical analysis again demonstrates that the same relationship between profitability and valuation (i.e., EBITDA margin and revenue multiples) exists with the guideline public companies in the current market environment.

Guideline Public Company Analysis: Regression Analysis (1)



26. [REDACTED]

[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED]  
[REDACTED].

27. As explained above, I used the GPC method under the market approach to calculate Aéropostale's enterprise value. In selecting guideline companies, I focused on two tiers of U.S.-based specialty retail clothing companies with stores located throughout the U.S. and that sell their own brand(s). My selection of Tier 1 guideline companies focused on the demographic closest to the Debtors' target demographic (pre-teens/teens)—that is, the Debtors' direct competitors: Abercrombie & Fitch Co. and American Eagle. My selection of Tier 2 guideline companies was similar, except that these companies target different demographics (e.g., older women, children, mixed demographics, etc.). These companies consist of Express Inc., Chico's FAS Inc., New York & Company Inc., Ascena Retail Group Inc., Christopher & Banks Corporation, The Gap, Inc., and The Children's Place, Inc. Although these companies are not considered direct competitors to the Debtors, most of these Tier 2 guideline companies were selected by the Hilco Enterprise Valuation Services, LLC, a firm retained by the Debtor to provide a valuation of certain of the Debtors' assets for Bank of America Merrill Lynch.

28. As shown in Table 3 below, I valued the Debtors' business using both next fiscal year ("FY+1") and the following next fiscal year ("FY+2") revenue and EBITDA multiples. In evaluating appropriate revenue multiples to apply to Aéropostale's FY+1 and FY+2 revenue, I reviewed the historical and projected profitability of the Company. [REDACTED]

29.

[REDACTED]

30.

[REDACTED]

[REDACTED]

[REDACTED]

## Guideline Public Company Analysis: Valuation Summary

Table 3

31. To assess Aéropostale's equity value, I subtracted net debt from enterprise value. Based on my analysis, [REDACTED]

32.

## **Guideline Public Company Analysis: CIM Metrics**

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Table 5

The figure consists of a 10x10 grid of black bars. The first two columns are mostly empty, with some short bars in the top two rows. The remaining columns are filled with horizontal bars of varying lengths. The lengths of the bars in each row increase from left to right, with the longest bars in the bottom row.

35.

## **Debtors' Forecast Performance Improvement Is Unrealistic**

36. I next assessed Debtors' forecasts against the historical performance of similar retail enterprises to assess whether Aéropostale's forecast was reasonable. [REDACTED]

38. Over the past several years, Aéropostale's low-cost basic merchandise and logo products have lost favor with its target shopper demographic—14-17 year olds. Mall traffic among teens is down, and teens have increasingly moved away from wearing branded logo clothing. Unlike their competitors, the Debtors have been unable to rapidly shift their product offerings to match the taste of their target customers. The Debtors responded to their losses by promising improved performance through store closings and cost cutting, but their efforts have been inadequate to generate positive cash flow. [REDACTED]

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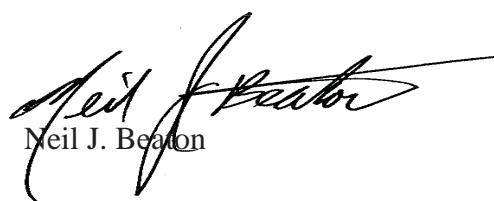
## **Conclusion: A More Realistic Forecast Would Result In Lower Enterprise Value**

44. As explained above,

Accordingly, adjusting the Debtors' revenue and EBITDA to more realistic, lower levels would most likely yield a negligible enterprise value and an even lower implied equity value.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing statements are true and correct.

Dated: June 7, 2016  
Seattle, Washington



Neil J. Beaton

# Exhibit 1

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## CURRICULUM VITAE

## NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA

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### **PROFESSIONAL EMPHASIS**

Managing Director at Alvarez & Marsal Valuation Services, LLC, specializing in the valuation of businesses, business interests and intangible assets for purposes of financial reporting, incentive stock options, litigation support (marriage dissolutions, lost profits claims), mergers and acquisitions, buy-sell agreements, and estate planning and taxation. Also performs economic analysis for personal injury claims and wrongful death actions.

### **PROFESSIONAL QUALIFICATIONS AND ASSOCIATIONS**

Certified Public Accountant (CPA): Washington, 1990  
American Institute of CPAs and Washington Society of CPAs  
Former Co-Chair of the AICPA Valuation of Private Equity Securities Task Force  
Former Member of the AICPA ABV Exam Committee  
Former Committee Member of AICPA Business Valuation Subcommittee  
Former Chair of the AICPA FAS 141/142 Task Force  
Former Member of the AICPA National Accreditation Commission for Business Valuation  
Former Member of the AICPA Merger & Acquisition Disputes Task Force  
Accredited in Business Valuation (ABV)  
Certified in Financial Forensics (CFF)

Chartered Financial Analyst (CFA), 1992  
Past President and Trustee of Seattle Society of Financial Analysts  
Member of the CFA Institute

Accredited Senior Appraiser (ASA), 1994  
American Society of Appraisers

Member of the *Business Valuation Update* Editorial Advisory Board  
Panel of Experts, *Financial Valuation and Litigation Expert*  
Editorial Board of the National Association of Certified Valuation Analysts, *Value Examiner*  
Former Member of the FASB Valuation Resource Group

### **EDUCATION**

Master of Business Administration, Finance, National University, 1983  
Bachelor of Arts Degree, Economics, Stanford University, 1980  
Numerous continuing education classes in the areas of accounting, taxation and business valuation

### **PROFESSIONAL EXPERIENCE**

Alvarez & Marsal Valuation Services, LLC (2012–Present)  
Grant Thornton LLP (2003–2012)  
Brueggeman and Johnson, P.C. and predecessor entity (1989–2002)  
Dun & Bradstreet Corporation. National Business Analyst (1981–1989) — Responsible for analyzing large, publicly traded corporations and assisting in large-scale credit decisions. Specialized in banking, insurance and financial services industries.

# Exhibit 2

**TESTIMONY SUMMARY – LAST 4 YEARS****NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA****DEPOSITION TESTIMONY**

Date	Case Name	Type of Business	Jurisdiction
1/12	Pisheyar v. Snyder and Hannah	Auto Dealerships	King County Superior Court
1/12	City and County of San Francisco v. Cobra Solutions, Inc.	IT Consulting Services	Superior Court of California
2/12	Frost v. Fireman's Fund Insurance Co.	Stock Options	King County Superior Court
2/12	Dawson, et al. v. Robinson Helicopter Company	Korean Wholesale Lumber Company	King County Superior Court
2/12	REM Market and Martin Properties v. Argonaut Great Central Insurance	Retail Grocery Stores	Chelan County Superior Court
4/12	Wright v. Wright	Neurosurgery Practice	King County Superior Court
5/12	Welch, et al. v. Pettersson, et al.	Auto Dealership	King County Superior Court
5/12	Fouts v. State Farm Insurance	Health Care	U.S. District Court, Western District of WA
5/12	Dawes v. Certainteed Corporation, et al.	Pipe Supply	Pierce County Superior Court
5/12	Marketquest Group, Inc. v. BIC Corporation, et al.	Manufacturer of Promotional Products	U.S. District Court, Southern District of California
7/12	Massey v. Harvard Drug Group, et al.	College Education	King County Superior Court
7/12	Estate of Vanna Francis v. Clallam County, et al.	College Education	U.S. District Court, Western District of WA
8/12	Univar, Inc. et al. v. Xenon Arc, et al.	Chemical Distributor	U.S. District Court, Western District of WA
8/12	Kellogg Capital Markets LLC and Eric Rosenfeld v. Troy Group, Inc., et al.	Printer and Toner Manufacturer	Court of Chancery, Delaware
8/12	Estate of Charles Cravens v. Kadlec Medical Center, et al.	Software Design	Benton County Superior Court
9/12	Johnston v. Samaniego, et al.	Neurologist	Kitsap County Superior Court
10/12	The Bristol at Southport, LLC v. Starline Windows, Inc.	Manufacturer of Windows	King County Superior Court
11/12	Waltrip v. City of Kent	Firefighter	King County Superior Court
11/12	Barrett v. Bill the Butcher, Inc., et al.	Retail Meat Sales	King County Superior Court
12/12	Wendell Brown v. Viant Capital, LLC, et al.	Renewable Energy	Superior Court of California
4/13	Taylor v. Intuitive Surgical, Inc.	Robotic Surgery Equipment	Kitsap County Superior Court
4/13	Noble v. Noble	Real Estate Management	King County Superior Court
5/13	Willard v. City of Everett	Auto Body Mechanic	U.S. District Court, Western District of WA
5/13	Noble v. Noble	Real Estate Management	King County Superior Court
5/13	Arthur "Bill" Barnum, et al. v. State of Washington, et al.	High School Education	Pierce County Superior Court
7/13	EagleView Technologies, Inc. v. Xactware Solutions, Inc.	Custom Computer Software	U.S. District Court Western District of Washington

TESTIMONY SUMMARY – LAST 4 YEARS		NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA
7/13	Hollywood Media Corp., et al. v. AMC Entertainment Inc.	Internet Movie Ticketing
7/13	Casino Marketing Alliance, LLC v. Pinnacle Entertainment	Software Analytics
8/13	Syrdal, Daniel v. Chalmers	Attorney
8/13	Trianon, LLC v. Carpenters Tower, et al.	Office Building
8/13	Mod Pizza v. Pieology/Chang	Restaurant Operations
8/13	Bonanza Fuel v. Delta Western	Wholesale Oil Distribution
8/13	Noble v. Tallman Building, LLC	Property Management
9/13	KDC Foods, Inc., v. Gray, Plant, Mooty, et al.	Food Preparation
10/13	Strong v. Rudin, et al.	Engineer
11/13	Mitchell, et al. v. Price, et al.	Real Estate Investment Fund
11/13	REC Solar Grade Silicon v. Grant County, WA	Polysilicon Manufacturing
12/13	Intelio Technologies, Inc., v. Ryko Solutions, Inc.	Car Wash Equipment Manufacturing
1/14	In re: Plant Insulation Company – Bayside Insulation & Construction, Inc.	Insulation Contractor
1/14	Rachel Rozman Cooley v. State of Washington, et al.	High School Education
1/14	Pikover v. EagleView Technologies, Inc.	Aerial Measurement Services
3/14	Howard Oppenheimer, et al. v. Carl Bianco, et al.	Real Estate Investment
4/14	Baylor Medical Center at Frisco v. Bledsoe and Willis	Health Care System
4/14	Maytown Sand and Gravel, LLC v. Thurston County, et al.	Gravel Mine
5/14	Global Enterprises, LLC v. Montgomery Purdue Blankinship & Austin PLLC	Boat Charter
6/14	The Shaw Group, Inc., et al. v. Zurich American Insurance Company, et al.	Pipe Fabricator
7/14	Wilson v. Wilson	Professional Athlete
7/14	Dennis Moran, et al. v. Monitor Liability Managers, LLC, et al	Attorney
8/14	Sheard and Martin v. Robert Polakoff	Pharmacologist
9/14	Farmers Insurance Company of Washington, et al. v. Damian J. Greene Insurance Agency, Inc.	Insurance Brokerage
9/14	Anderson News, LLC, et al. v. American Media, Inc., et al.	Wholesale Magazine Distribution
10/14	Sinner, et al. v. Conner, et al.	Winery Real Estate
		Circuit Court, 15 <sup>th</sup> Judicial District, Palm Beach, FL
		American Arbitration Association, Commercial
		King County Superior Court
		King County Superior Court
		U.S. District Court Western District of Washington
		U.S. District Court for the District of Alaska
		King County Superior Court
		U.S. District Court Western District of Wisconsin
		King County Superior Court
		Pierce County Superior Court
		Washington State Board of Tax Appeals
		American Arbitration Association, Chicago, IL
		U.S. Bankruptcy Court, Northern District of California
		Pierce County Superior Court
		Snohomish County Superior Court
		King County Superior Court
		U.S. District Court, Eastern District of Texas
		Lewis County Superior Court
		U.S. District Court Western District of Washington
		U.S. District Court Middle District of Louisiana
		King County Superior Court
		U.S. District Court Southern District of New York
		Snohomish County Superior Court

TESTIMONY SUMMARY – LAST 4 YEARS		NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA	
10/14	CampusPoint Corporation v. Granlund	Staffing Company	King County Superior Court
10/14	Milette v. Magnetic & Penetrant Services Co., Inc.	Metal Coating & Finishing	Arbitration – Seattle, WA
11/14	Kawasaki Heavy Industries, Ltd. v. Bombardier Recreational Products, Inc., et al.	Personal Watercraft Manufacturing	Private Arbitration – Chicago, IL
11/14	AccessData Group, LLC v. Thompson, et al.	Cyber Security Software	Arbitration – Salt Lake City, UT
11/14	Chong Sun Kyong v. Sung Ho Kim	Financial Executive	King County Superior Court
12/14	Western Mortgage v. Key Bank	Financial Instruments	U.S. District Court - Idaho
1/15	Brian Wurts v. City of Lakewood, et al.	Police Officer	U.S. District Court Western District of Washington
1/15	Hansen v. Hansen	Bail Bond Agency	King County Superior Court
1/15	Hoffman v. Integrale Investments, LLC, Keith Knutsson, and PCGL, LLC	Real Estate Development	Circuit Court, 13 <sup>th</sup> Judicial District, Tampa, FL
2/15	Vasudeva Mahavisno v. Compendia Biosciences, Inc. and Life Technologies Corporation	Drug Discovery Software	U.S. District Court, Eastern District of Michigan, Southern Division
3/15	Susan Camicia v. City of Mercer Island, et al.	Legal Secretary	King County Superior Court
5/15	DeRosa v. Aggressive Transport, Ltd.	College Education	Pierce County Superior Court
5/15	Philippe Charriol International Limited v. A'Lor International Limited	Jewelry Manufacturing	U.S. District Court, Southern District of California
7/15	The Patriot Group, LLC v. Hilco Enterprise Valuation Services, LLC	Valuation Services	Cook County Circuit Court, Illinois County Department
9/15	Alpha Pro Tech, Inc. v. VWR International LLC	Clean Room Apparel Manufacturer	U. S. District Court, Eastern District of Pennsylvania
10/15	Thomson v. HMC Group and Torrance Memorial Medical Center, et al.	Hospital Design/Billing	U.S. District Court, Central District of California
10/15	Moe, et al. v. Radiant Global Logistics, Inc.	Transportation Logistics	King County Superior Court
11/15	CH2O, Inc. v. Meras Engineering, Inc.	Specialty Chemical Manufacturing	Thurston County Superior Court
12/15	Nautilus, Inc. v. Gary D. Piaget d/b/a Piaget Associates	Exercise Equipment	Arbitration – Vancouver, WA
12/15	Spokane Rock I, LLC, v. Doty, Beardsley, Rosengren & Co., P.S.	Property Development/ Management	Pierce County Superior Court
1/16	Sandra S. Noreen v. Michael W. Bugni, et al.	Book Royalties	King County Superior Court
1/16	Marx v. Shelby	Wholesale Gourmet Foods	King County Superior Court
2/16	McLean, et al. v. Coleman-Davies Pearson, P.C.	Freight Trucking	King County Superior Court
2/16	Wood v. Wood	Start-up Companies	Jefferson County Circuit Court, Kentucky
3/16	Lysa Catlin v. RPM Mortgage, Inc.	Mortgage Broker	Arbitration – Bellevue, WA
3/16	In re: Capitol Lakes, Inc.	Retirement Community	U.S. Bankruptcy Court, W. D. of Wisconsin
5/16	Larry Richards v. Thermal Hydra Plastics, LLC, d/b/a Clearwater Spas, et al.	Spa Manufacturer	King County Superior Court
5/16	DeWitt v. DeWitt	HVAC Control Systems	Benton County Superior Court

TESTIMONY SUMMARY – LAST 4 YEARS		NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA	
5/16	SmartMed, Inc. v. FirstChoice Medical Group, Inc.	Healthcare Consulting	Judicial Arbitration and Mediation Services
5/16	Education Logistics, Inc., et al. v. Datsopoulos, MacDonald & Lind, PLLP, et al.	Transportation Logistics Software	4 <sup>th</sup> Judicial Court of Montana, Missoula County
<b>ARBITRATION/MEDIATION TESTIMONY</b>			
Date	Case Name	Type of Business	Jurisdiction
4/12	Wright v. Wright	Neurosurgery Practice	King County Superior Court
5/12	Welch, et al. v. Pettersson, et al.	Auto Dealership	King County Superior Court
6/12	Moore v. Safeco	Online Marketing	King County Superior Court
12/12	Estate of Vanna Francis v. Clallam County	College Education	King County Superior Court
1/13	Hazelmann v. Hazelmann	Trial Consulting Services	King County Superior Court
1/13	Armintrout v. Armintrout	Tracing; Spec Homes	King County Superior Court
4/13	Hill v. Nickerson	Economic Consulting	King County Superior Court
6/13	Harris v. State Farm Insurance	Bio-Feedback Consulting	King County Superior Court
7/13	Edmonds Hardware, LLC v. Grace Architects PLLC	Retail Ace Hardware Store	King County Superior Court
9/13	Casino Marketing Alliance v. Pinnacle Entertainment, Inc.	Software Analytics	American Arbitration Association – San Francisco
11/13	REC Solar Grade Silicon v. Grant County, WA	Polysilicon Manufacturing	Washington State Board of Tax Appeals
12/13	Chapman v. Chapman	Real Estate Advisory	King County Superior Court
12/13	Wilcox v. Wilcox	Attorney	King County Superior Court
1/14	EnerSys Delaware Inc. v. Altergy Systems	Fuel Cell Manufacturing	American Arbitration Association – San Francisco
2/14	Intelio Technologies, Inc., v. Ryko Solutions, Inc.	Car Wash Equipment Manufacturing	American Arbitration Association – Chicago, IL
7/14	Wilson v. Wilson	Professional Athlete	King County Superior Court
8/14	Brandt, et al. v. Brandt	Integrated Fruit Farms	Alternative Dispute Resolution
8/14	Murray v. Murray	Building Material Manufacturing	King County Superior Court
9/14	Wong v. Skoczkowski	Mobile Software Solutions	Toronto, Ontario, Canada
9/14	Dye v. Dye	Wine Distribution	Arbitration – Oakland, CA
10/14	Sinner, et al. v. Conner, et al.	Winery Real Estate	Arbitration – Seattle, WA
10/14	Miles Resources, LLC, v. Summerwood Park Holdings, LLC	Real Estate Development	Arbitration – Seattle, WA
10/14	Milette v. Magnetic & Penetrant Services Co., Inc.	Metal Coating & Finishing	Arbitration – Seattle, WA
11/14	Strawn v. Strawn	Scanning and Imaging	King County Superior Court
11/14	Software Forensics, Inc. v. Eric Thompson, et al.	eDiscovery, Security Software	Arbitration – Salt Lake City, UT
12/14	Hansen v. Hansen	Bail Bond Agency	Judicial Dispute Resolution

<b>TESTIMONY SUMMARY – LAST 4 YEARS</b>		<b>NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA</b>
2/15	Kawasaki Heavy Industries, Ltd. v. Bombardier Recreational Products, Inc., et al.	Personal Watercraft Manufacturing
5/15	Leslie v. Leslie	CPA Firm
9/15	van Loben Sels v. van Loben Sels	Tax Consulting Firm
1/16	Nielsen v. Nielsen	General Contractor
4/16	Doyle v. Doyle	Weight Loss Clinics
4/16	McCleskey v. McCleskey	Commercial and Institutional Construction
6/16	SmartMed, Inc. v. FirstChoice Medical Group, Inc.	Healthcare Consulting
		Judicial Arbitration and Mediation Services

**COURT TESTIMONY**

Date	Case Name	Type of Business	Jurisdiction
1/12	Horne v. World Publications, et al.	Internet Boat Sales	6 <sup>th</sup> Judicial Circuit Court, Pinellas County, FL
2/12	City and County of San Francisco v. Cobra Solutions, Inc.	IT Consulting Services	Superior Court of California
2/12	Easly v. Fresco Shipping SA	Tug Boat Operator	U.S. District Court, Western District of WA
2/12	Westgate Communications v. Chelan County	Telephone Communications	U.S. District Court, Eastern District of WA
3/12	Sound Infiniti v. Pisheyar	Infiniti Dealership	King County Superior Court
6/12	Wright v. Wright	Neurosurgery Practice	King County Superior Court
10/12	Hanna v. Davison	Pharmaceutical Sales	King County Superior Court
11/12	Education Logistics v. Laidlaw	Bus Routing Software	U.S. District Court of Montana, Missoula Division
11/12	Barrett v. Bill the Butcher, Inc., et al.	Retail Meat Sales	King County Superior Court
11/12	Renee Rose de Levi v. Republic of Peru	Banking	International Center for Settlement of Investment Disputes
11/12	JR Marketing, et al. v. Hartford Casualty Insurance Company, Inc.	Computer Lock Sales	Superior Court of the State of California
12/12	Petra Franklin v. David Lahaie	Industrial Recycling	King County Superior Court
1/13	James v. James	Wholesale Software	King County Superior Court
1/13	Armintrout v. Armintrout	Tracing; Spec Homes	King County Superior Court
4/13	Wadhwa v. Wadhwa	Solar Power Plant	Superior Court of California, Contra Costa County
6/13	Milling v. Hummel	Wholesale Biologic Supplies	13 <sup>th</sup> Judicial Circuit Court, Hillsborough County, FL
10/13	Noble v. Noble	Real Estate Management	King County Superior Court

TESTIMONY SUMMARY – LAST 4 YEARS		NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA	
10/13	Arthur “Bill” Barnum, et al. v. State of Washington, et al.	High School Education	Pierce County Superior Court
12/13	Dean Wilcox v. Bartlett Services, Inc., et al.	Millwright	Benton County District Court
1/14	In re: Plant Insulation Company – Bayside Insulation & Construction, Inc.	Insulation Contractor	U.S. Bankruptcy Court, N. D. of California
2/14	Robert R. Mitchell, et al. v. Michael A. Price	Mortgage Originator	Pierce County Superior Court
3/14	Malcolm v. Malcolm	Consumer Electronics Manufacturer	Pitkin County District Court of Colorado
4/14	REC Solar Grade Silicon v. Grant County, WA	Polysilicon Manufacturing	Washington State Board of Tax Appeals
6/14	Pikover v. EagleView Technologies, Inc.	Aerial Measurement Services	Snohomish County Superior Court
7/14	Maytown Sand and Gravel, LLC v. Thurston County, et al.	Gravel Mine	Lewis County Superior Court
9/14	Recreational Data Services, LLC v. Trimble Navigation Limited, et al.	Software Development Services	Superior Court of AK, 3 <sup>rd</sup> District at Anchorage
10/14	Estate of Sheard v. Robert Polakoff	Pharmacologist	King County Superior Court
11/14	Virshbo v. Virshbo	Intelligent Transportation Systems	Multnomah County Circuit Court, Oregon
12/14	Wong v. Skoczkowski	Mobile Software Solutions	Toronto, Ontario, Canada
2/15	Hoffman v. Integrale Investments, LLC, Keith Knutsson, and PCGL, LLC	Real Estate Development	Circuit Court, 13 <sup>th</sup> Judicial District, Tampa, FL
3/15	Hansen v. Hansen	Bail Bond Agency	King County Superior Court
3/15	Hobbs v. Hobbs	Authentication Software	King County Superior Court
4/15	Moran v. Moran	Restaurant Franchise	Boulder County District Court
8/15	Donatelli v. D.R. Strong Consulting Engineers	Real Estate Development	King County Superior Court
12/15	vonAllmen v. vonAllmen	Stock Options	King County Superior Court
1/16	Moe, et al. v. Radiant Global Logistics, Inc.	Transportation Logistics	King County Superior Court
3/16	John J. Mutchler v. State of Washington, Department of Labor & Industries	State Employee	Thurston County District Court
4/16	In re: Capitol Lakes, Inc.	Retirement Community	U.S. Bankruptcy Court, W. D. of Wisconsin
6/16	Marx v. Shelby	Wholesale Gourmet Foods	King County Superior Court

# Exhibit 3

**PRESENTATIONS AND PUBLICATIONS****NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA**

<b>VENUE</b>	<b>SPONSOR</b>	<b>DATE</b>	<b>SUBJECT</b>
AICPA/AAML National Conference on Divorce - New Orleans	AICPA	May 2016	Valuation of Stock Options, Appreciation Rights and Other Equity Compensation
2016 New York International Family Law Symposium	IAFL New York Chapter	Apr 2016	Discovery of International Financial Documentation
2016 Complex Family Law: As Experts See It	AAML Washington State Chapter	Mar 2016	How Attorneys Can Work With a Financial Expert
2015 AICPA Forensic & Valuation Services Conference	AICPA	Nov 2015	Reconciliation and Asset Approach; Report Writing
ABA Section of Family Law - 2015 Fall CLE Conference - Portland, OR	American Bar Association	Oct 2015	Valuation Essentials
AICPA Expert Witness Skills Workshop - Chicago, IL	AICPA	Oct 2015	Expert Witness Training
Complex and High Asset Divorce: A Focus on the Money	The Seminar Group	Sep 2015	Interpreting Tax Returns & International Valuation Issues
AICPA Expert Witness Workshop - Webcast	AICPA	Sep 2015	Business Valuations in Litigation: The Basics
AICPA Forensic & Valuation Services Webcast	AICPA	Jul 2015	Navigating Mergers & Acquisitions: Understanding Mergers & Acquisitions Disputes
Colorado CLE	Colorado Bar Association	Jun 2015	Lost Profits and Economic Damages: A Case Study Approach
BVR Web Seminar	BVR	May 2015	Divorce & IP: Are Patent Rights, Copyrights, Trademarks Still Tied Up After the Knot Gets Untied?
2015 AICPA/AAML Family Law Conference - Las Vegas	AICPA	May 2015	Family Law Overview and Overcoming the Catch 22; Bolstering your Testimony through Demonstratives in the Courtroom
YPO-WPO - Webinar	Deal Global Business Network	Apr 2015	The Ever Changing Value of Valuation
NYS CLE Board - New York Chapter Meeting	AAML New York Chapter	Mar 2015	Secondary Stock Markets are the New Primary Issue
2014 AICPA Forensic & Valuation Services Conference	AICPA	Nov 2014	Growing Your Practice & Balancing it All; Reconciliation and Asset Approach Discussion; Complex Capital Valuations
2014 ASA/CICBV Joint Business Valuation Conference - Toronto, ON	ASA/CICBV	Oct 2014	Secondary Transactions Considerations and Implications
6th Annual Wechsler Family Law Symposium	AAML Washington State Chapter	Oct 2014	Analyzing Tax Returns to Determine Income and Identify Assets
The Value Examiner	NACVA	Sep 2014	Are You Ready for Some Football? Insights into NFL Team Valuations
AICPA Expert Witness Skills Webcast	AICPA	Jul 2014	Business Valuation in Litigation - Useful Tips
International Academy of Matrimonial Laywers, US Chapter - New York	IAML US Chapter	May 2014	International Business Valuation: Everything You Always Wanted To Know But Were Afraid To Ask

## PRESENTATIONS AND PUBLICATIONS

## NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA

VENUE	SPONSOR	DATE	SUBJECT
AICPA/AAML National Conference on Divorce - Las Vegas	AICPA	Apr 2014	Intellectual Property: Identification, Classification/Characterization, Valuation and Distribution
Wealth Blog	Wealthfront, Inc.	Apr 2014	The Reason Offer Letters Don't Include a Strike Price
AICPA Forensic & Valuation Services Conference - Las Vegas	AICPA	Nov 2013	Top Commercial Litigation Engagements; Valuation of Privately-Held Company Equity Securities
2013 Business Valuation and Services Conference - Houston	Texas Society of CPAs	Oct 2013	Overview of the AICPA's M&A Disputes Practice Aid
WSBA CLE - Seattle	AAML Washington State Chapter	Oct 2013	Strategies for Valuing Businesses or Assets that have Limited Cash Flow
BVR Web Seminar	BVR	Oct 2013	Calculating Lost Profits for Early Stage Companies
Egyptian Private Equity Association - Cairo	Financial Services Volunteer Corps	Jun 2013	Egyptian Equity Valuation and Modeling
NACVA National Consultants' Conference	NACVA	Jun 2013	Top Five Commercial Litigation Assignments You're Missing Out On
AICPA Web Seminar	AICPA	May 2013	Overview of the Newly-Released AICPA Cheap Stock Practice Aid
2nd Annual Million Dollar Divorce BVR Web Seminar <i>Standards of Value</i>	The Seminar Group BVR John Wiley & Sons, Inc.	Apr 2013 Apr 2013 Mar 2013	Overview of Business Valuation Lost Profits v. Lost Business Value <i>Chapter 6: Fair Value in Financial Reporting: What Is It?</i>
19th Annual Family Law Conference <i>Forensic &amp; Valuation Services Practice Aid</i>	AAML Washington State Chapter AICPA	Mar 2013 2013	Top Tips Related to Income Adjustments and Property Splits <i>Mergers and Acquisitions Dispute</i> , co-author
AICPA National BV Conference	AICPA	Nov 2012	Fair Value Issues; Valuation of Business with International Operations
Advanced Business Valuation Conference	American Society of Appraisers	Oct 2012	Valuation Using Advanced Option-based Methods
13 <sup>th</sup> Annual VSCPA BV, Fraud & Lit Conference	Virginia Society of CPAs	Sep 2012	Valuing Early Stage Companies in General and in Litigation
Annual New Jersey State NACVA Conference	New Jersey State NACVA	Sep 2012	Lost Profits v. Lost Business Value
AICPA Web Seminar	AICPA/AAML	Jun 2012	Tips, Tricks, Traps and Emerging Issues for the Expert Witness
BVR Web Seminar	BVR	May 2012	Divorce and IP: Are Patent Rights, Copyrights, Trademarks Still Tied Up After the Knot Gets Untied?
National Conference on Divorce	AICPA/AAML	May 2012	Divorce and IP: Are Patent Rights, Copyrights, Trademarks Still Tied Up After the Knot Gets Untied?; Valuing Assets Outside the U.S.: Why Doesn't Everyone Play by Our Rules?
2011 Fair Value Congress FVS Web Seminar	NACVA AICPA	Feb 2012 Jan 2012	AICPA Cheap Stock Practice Aid Update Valuations for Dissenting Stockholder & Minority Oppression Actions

## PRESENTATIONS AND PUBLICATIONS

## NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA

VENUE	SPONSOR	DATE	SUBJECT
<i>AICPA Accounting and Valuation Guide</i>	AICPA	2012	<i>Valuation of Privately-Held-Company Equity Securities Issued as Compensation</i> , co-author
BVR Web Seminar	BVR	Dec 2011	Delaware Chancery Roundtable: Views from the Bench, Counsel & Witness Stand
AICPA National BV Conference	AICPA	Nov 2011	Betting on the Future: The Outlook for the Business Valuation Profession; Cost of Capital: Practical Solutions in an Impractical World; Caught in the Crossfire: The Expert Witness for Valuation; Update of Final Comments on Cheap Stock Practice Aid; Marketing & Management of a Valuation Practice
AICPA National Forensic Conf. Business Valuation & Family Law Sections Joint Meeting	AICPA California Society of CPAs, Family Law Litigation Section	Sep 2011 May 2011	Damages for Newly Formed Entities Challenges of Valuing Early Stage Companies in General and for Litigation
FEI Portland	Financial Executives International	May 2011	The Front Lines of Business Valuation
<i>Financial Valuation Application and Models, Third Edition</i> <i>The Comprehensive Guide to Lost Profits Damages for Experts and Attorneys, 2011 Edition</i>	John Wiley & Sons, Inc.	2011	<i>Chapter 24: Other Valuation Services Areas</i> , co-author <i>Chapter 11: Calculating Damages for Early-Stage Companies</i> , co-author
BVR Web Seminar AICPA National BV Conference	BVR AICPA	Dec 2010 Nov 2010	409A Valuation Issues Review of the Updated AICPA Cheap Stock Practice Aid
The Knowledge Congress Live Webcast Series	The Knowledge Group, LLC	Oct 2010	Commercial Damages: Overview and Cross Examination - Bullet Proof or Bullet Holes
BVR Web Seminar	BVR	Oct 2010	Reasonable Certainty and Lost Profits in Early Stage Cos.
World Financial Symposium	Davis Wright Tremaine	Oct 2010	Factors that Increase Private Company Valuations
AICPA National Forensic Conference	AICPA	Oct 2010	Shareholder Oppression and Dissenter Suits; Lost Profits v. Valuation in Litigation
Forensic & Valuation Services Web Seminar	AICPA	Sep 2010	Practical Implementation Issues Regarding FV Issues in Business Combinations
The Value Examiner ACG InterGrowth 2010 Conference	NACVA Assn. for Corporate Growth	Jun 2010 May 2010	Discounts for Early-Stage Companies Do Financial Sellers Get a Better Deal?
<i>Valuing Early Stage and Venture-Backed Companies</i>	John Wiley & Sons, Inc.	Apr 2010	Advanced Valuation Techniques for Early Stage Companies
3rd Annual Summit on Fair Value for Financial Reporting	Business Valuation Resources	Feb 2010	Advanced Workshop on Financial Reporting for Stock Options Under 409A/123R

## PRESENTATIONS AND PUBLICATIONS

## NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA

VENUE	SPONSOR	DATE	SUBJECT
Minnesota Business Valuation Conference	American Society of Appraisers - Minneapolis	Jan 2010	Valuation of Intellectual Property
TMA Meeting Series	Turnaround Management Association	Jan 2010	Business Value in Uncertain Markets
BVR Practice Guide Series	Business Valuation Resources	Jan 2010	Valuations for IRC 409A Compliance
<i>Valuation Strategies Magazine</i> Business Valuation Committee 2009 Fair Value Summit	Thomson Reuters ASA	Nov 2009 Nov 2009	Volatility in the Option Pricing Model Update on Practice Aid: Valuation of Early Stage Companies
Fair Value Measurement Conference 2009 Annual Consultants' Conference	AICPA NACVA and the IBA	Jun 2009 May 2009	Private Equity Issues under FAS 157 IFRS v. U.S. GAAP: What You Need to Know
2009 Business Valuation Conference	Illinois CPA Society	May 2009	Uses and Abuses of Management Projections
Valcon 09: Risks, Restructurings, Real Estate and Retail	American Bankruptcy Institute	Feb 2009	The Impact of Globalization on Valuation of Distressed Debt and Businesses
2009 ACG West Coast Mergers & Acquisitions Conference	ACG of San Francisco	Feb 2009	Price v. Value: Bridging the Gap in a Down Economy
2nd Annual Summit on Fair Value for Financial Reporting	Business Valuation Resources	Feb 2009	Current Issues in 123R/409A and Mock Audit Review for FAS 141 and 142
Annual Private Equity COOs and CFOs Forum	Private Equity International	Jan 2009	Panel: International Accounting and Valuation Standards – Convergence or Divergence?
Accountants' Handbook - Eleventh Edition 2009 Supplement	John Wiley & Sons, Inc.	Jan 2009	Valuation of Assets, Liabilities, and Non Public Companies (revised)
Knowledge of Business Valuation - LIVE Webinar	Business Valuation Resources	Dec 2008	The Uses and Abuses of Management Projections
2008 AICPA/ASA Joint Business Valuation Conference	AICPA/ASA	Nov 2008	"Sticky Wickets" Related to 409A Valuations; Discount Techniques for Early Stage Companies
Business Valuation Basics	WSCPA/AICPA	Nov 2008	Business Valuation: A Real Life Case Study
ABV Examination Review	AICPA	Oct 2008	The Body of Business Valuation Knowledge
IRC Section 409A: Deadline Looming - Are You Prepared? LIVE Webinar	The Knowledge Congress	Oct 2008	409A Stock Option Valuations: Does Current Valuation Practice Match the Regulations
BVR Thought Leadership Series	Business Valuation Resources	Aug 2008	The Uses & Abuses of Management Projections - Creating a Solid Framework for Financial Performance Analysis
2008 PNW Growth Financing Conf.	Association for Corporate Growth	Aug 2008	Price versus Value: Bridging the Gap
VPS FCG Webinar Series	Financial Consulting Group	May 2008	DLOM: Quantitative vs. Qualitative Models
Business Valuation Standards across the Association Landscape	Strafford Publications	May 2008	Business Valuation: Mastering Changes in Key Standards
The Birth, Life, and Death of Law Practices	Washington State Bar Association	Mar 2008	The Valuation of Law Practices

**PRESENTATIONS AND PUBLICATIONS****NEIL J. BEATON, CPA/ABV/CFF, CFA, ASA**

<b>VENUE</b>	<b>SPONSOR</b>	<b>DATE</b>	<b>SUBJECT</b>
Monthly Litigation Department Meeting	Latham & Watkins, LLP	Mar 2008	Valuation of Intellectual Property in Litigation and the Financial Reporting Environment
ACG Capital Connection Conference	ACG of Utah	Feb 2008	Lessons Learned From My Worst Deal
Fair Value Summit - New York	BVR and ASA	Feb 2008	Overview of IRC 409A and SFAS 123R
King County Bar Association Continuing Legal Education	Washington State Bar Association	Dec 2007	Expert Witness and Forensic Accounting Issues in Probate Litigation
AICPA National Business Valuation Conference	AICPA	Dec 2007	IRC 409A and SFAS 123R Valuations; Risks Along the Technology Life Cycle
Seattle Chapter of the Appraisal Institute Fall Conference	Appraisal Institute	Nov 2007	Practical Applications of Fair Value In a Business Combination
ASA Advanced BV Conference	ASA	Oct 2007	Current and Perplexing Issues in Implementing 409A and 123R
Teleconference on Understanding the AICPA's SSVS 1	Strafford Publications	Sep 2007	Understanding SSVS1 and Related Implementation Tips
Section 409A Teleconference	The Knowledge Congress	Sep 2007	Equity-Based Compensation Arrangements and Valuation Issues
2007 Intellectual Property Institute Intangible Valuation Seminar	WSCPA Gerson Lehrman Group	Jul 2007 Jun 2007	Valuing Intellectual Property Valuing Intellectual Property for Merger & Acquisition Purposes
Global Business Symposium	Asinta	May 2007	IFRS/US GAAP Comparison
ACG Capital Connection Conference	ACG of Utah	May 2007	Train Wreck: Lessons Learned From My Worst Deal
Business & Intellectual Property Valuations, Economic Damage and Expert Witness Skills Program	Law Education Institute	Jan 2007	Intellectual Property Valuation and Damages Methodologies
National Business Valuation Conference	AICPA	Dec 2006	Fair Value Valuations under Delaware Law; High Technology Company Valuation Seminar
Valuation Roundtable of San Francisco	ASA	Jun 2006	Valuing Complex Equity Instruments
National Webcast for BVR Subscribers	BV Resources	May 2006	Early Stage Company Valuations
ACG Utah 2006 Capital Connection	ACG of Utah	Apr 2006	Valuations in Mergers & Acquisitions

# Exhibit 4

Bankruptcy - Chapter 11 Filings - Retail Industry Since 1/1/2015						
Date Filed	Company	Outcome	Outcome Event Detail	Outcome Date	Business Description	Commentary
4/18/2016	Vestis Retail Group	Asset Sale / Liquidation	Proposed Versa Capital acquisition. Wants to focus on supporting the long-term success of EMS and Bob's while efficiently winding down Sport Chalet.	NA	Parent company of Eastern Mountain Sports ("EMS") and Sport Chalet.	"When Vestis first acquired EMS and Sport Chalet, each company faced significant operational challenges and was on the verge of liquidation. We have made significant progress in stabilizing the businesses and improving overall performance across all our brands," said Mark Wash, Chief Executive Officer of Vestis. "As a result, EMS and Bob's are now delivering solid performance and have been burdened by limited financial flexibility due, in part, to the unique competitive pressures facing Sport Chalet. After reviewing a variety of strategic alternatives, we determined that the best path forward is to separate the businesses and confront the challenges that have been hindering our overall progress. We are confident EMS and Bob's will be well positioned to thrive at the conclusion of the process."
4/7/2016	Pacific Sun	Debt for Equity Swap	Debt for equity restructuring agreement, the company plans to be taken private by Golden Gate Capital.	NA	PacSun is a specialty retailer in the action sports, fashion, and music influences of the California lifestyle	"PacSun, which has struggled especially with falling mall traffic, is expected to use its Chapter 11 bankruptcy to rein in high store occupancy costs, either by shrinking its store footprint or renegotiating its rents. Its rapid growth in stores in the years leading up to the 2008 financial crisis has since weighed on PacSun's bottom line."
3/2/2016	Sports Authority	Asset Sale/Liquidation	The Sports Authority, Inc. could not find a buyer for its remaining 300 stores. The remaining stores will hold going-out-of-business sales.	5/18/2016	The Sports Authority, Inc. operates sporting goods stores in the United States. The Company provides athletic equipment, apparel, and products.	"Sports authority will close all of its 450-plus stores across the United States after it was unable to secure a buyer, according to a new court filing. "even retailers who are not financial distress are closing their weaker stores..."
2/2/2016	Hancock Fabrics	Liquidation	After announcing bankruptcy in February, Hancock Fabrics has announced that they are now closing all of their 185 stores.	4/4/2016	Hancock Fabrics acts as a specialty retailer of fashion and home-decorating textiles, sewing accessories, needcraft supplies, and sewing machines in the United States	"The company previously filed for Chapter 11 bankruptcy in 2007 and emerged a year later." Hancock Fabrics has struggled in recent years, filing for bankruptcy twice – once in 2007 and again in February of 2016. After filing in 2007, the company reorganized but only posted a profit in 2009."
10/5/2015	American Apparel	Debt for Equity Swap & Asset Sale / Liquidation	American Apparel's reorganization plan converted approximately \$230 million of debt into equity in the Company and provided for the infusion into the Company of \$40 million of exit capital and a commitment for a \$40 million asset-backed loan. These sources of incremental liquidity will serve as vital support to \$20 million as compared to the period before the Company's Chapter 11 case. Under the reorganization plan, the Company also converted its corporate form from a Delaware corporation to a Delaware limited liability company and, therefore, is now known as American Apparel LLC.	2/5/2016	American Apparel is a vertically-integrated manufacturer, distributor, and retailer of branded fashion - basic apparel based in downtown Los Angeles, California. As of February 1, 2016 the Company had approximately 7,900 employees and operated 202 retail stores in 19 countries, including the United States and Canada. The Company also operates a global e-commerce site that serves over 50 countries worldwide. In addition, the Company operates a leading wholesale business that supplies high-quality T-shirts and other casual wear to distributors and screen printers.	"Under that plan, the company expects to be profitable in 2018, which would be the first time since 2009."
9/9/2015	Quicksilver	Debt for Equity Swap & Asset Sale / Liquidation	Oaktree Capital Management to gain control of the company in a \$279 million debt-for-equity swap. Turns stores into a interactive shopping experience.	2/1/2016	Quicksilver designs, develops, and distributes branded apparel, footwear, accessories, and related products primarily for men, women, and children	"The surfwear chain reported double-digit percentage drops in revenue for the last five quarters."
6/14/2015	Anna's Linens	Asset Sale / Liquidation	The Company has negotiated an interim debtor in possession financing arrangement ("DIP") with Satic Capital, the Company's pre-petition lender provided the Company with an immediate source of funds to satisfy the customary obligations associated with the daily operations of its business. Asset sale was approved in October of 2015.	10/6/2015	Anna's Linens Inc. retails home textiles and home decoration items in the United States.	"The retailer was negotiating a sale of the business with DVI Partners LP in New York last week, but did not announce any agreement before a June 19 deadline. "One expansion and excess inventory led to increased indebtedness and, ultimately, a default with the debtor's longtime lender, Union Bank."
4/28/2015	RadioShack	Asset Sale / Liquidation	Bought by hedge fund (Standard General). Stores will carry the RadioShack and Sprint names. 1740 stores have survived bankruptcy.	10/7/2015	RadioShack engages in the retail sale of consumer electronics, goods and services.	"RadioShack entered Chapter 11 bankruptcy in February with more than 4,000 stores, most of which have been closed. (1740 were sold to Standard General)
4/19/2015	Frederick's of Hollywood	Asset Sale	Frederick's of Hollywood Group Inc., filed for bankruptcy after closing all its stores and reaching a deal to sell the company as an online-only venture to Authentic Brands Group LLC.	4/20/2015	Frederick's of Hollywood Group Inc., through its subsidiaries, sells women's apparel and related products under the Frederick's of Hollywood brand in the United States	"Frederick's shuttered its remaining 210 locations prior to filing for bankruptcy, but continues to operate its website during Chapter 11. The company is one of many specialty retailers who have sought bankruptcy protection in recent months. "The undergarment outfit has not had a profitable fiscal year since 2007, with total revenue declining annually since 2006..."
2/4/2015	Cache Inc	Asset Sale / Liquidation	\$13 million asset sale to Great American Group LLC of inventory, fixtures, IP, and designation rights for its commercial leases. In November of 2015 the case was dismissed.	11/18/2015	Mail-based and online women's specialty retailer of apparel and accessories in the United States	"The mail-based retailer, which has 218 outlets, has not reported a profit in the past nine quarters."
1/15/2015	Wet Seal	Asset Sale	Wet Seal filed under Chapter 11 on Jan. 15, eight days after it closed 338 stores. The remaining 173 locations in 42 state represent about half of the chain's revenue. An affiliate of Versa Capital, Mador, won the bid to acquire the assets of Wet Seal and the replace the DIP financing. Went out of business in December 2015.	12/31/2015	Mail-based clothing retailer catering to women ages 13 to 24	"Mador, which has agreed to keep at least 140 Wet Seal stores open, prevailed over stalking horse bidder B. Riley Financial Inc. in a three-day auction."
1/9/2015	Body Central	Liquidation	Closed all 265 stores and fired 2500 employees as it wound down the business through a state process instead of a typical federal bankruptcy.	1/9/2015	Body Central Corp. operates as a specialty retailer of young women's apparel and accessories in the South, Southwest, Mid-Atlantic, and Midwest regions of the United States. It operates stores under the Body Central and Body Shop banners, as well as a direct business comprising its Body Central catalog and e-commerce website at bodycentral.com.	"The company wanted to reorganize as a smaller chain, but it was unable to raise the financing necessary," Davis said in an interview. "The company, which lost \$70.2 million in the 12-months ended in September, is the latest seller of young women's clothing to fight for survival. Shifting foot traffic and body Central, a four-decade-old chain that operates 245 stores in 28 states, had only \$4.5 million in cash and equivalents as of Nov. 3."

# Exhibit 5

**Guideline Public Company Analysis: Valuation Metrics and Benchmarking Analysis**  
As of May 31, 2016

**Exhibit 5**  
Page 1 of 4

Ticker	Company Name	Valuation Multiples						
		EV / EBITDA		EV / Revenue		LTM	FY+1	FY+2
		LTM	FY+1	FY+2	FY+1			
<b>Tier 1</b>								
NYSE:ANF	Abercrombie & Fitch Co.	3.21x	3.66x	3.40x	0.34x	0.35x	0.34x	
NYSE:AEO	American Eagle Outfitters, Inc.	5.29x	5.01x	4.75x	0.73x	0.71x	0.70x	
Median		4.25x	4.34x	4.08x	0.54x	0.53x	0.52x	
<b>Tier 2</b>								
NYSE:EXPR	Express Inc.	3.69x	3.82x	3.58x	0.44x	0.44x	0.43x	
NYSE:CHS	Chico's FAS Inc. (1)	5.32x	5.61x	5.05x	0.55x	0.57x	0.57x	
NYSE:WNY	New York & Company Inc.	4.08x	3.15x	2.20x	0.08x	0.09x	0.08x	
NasdaqGS:ASNA	Ascena Retail Group Inc.	5.07x	3.93x	3.69x	0.45x	0.41x	0.44x	
NYSE:CBK	Christopher & Banks Corporation (2)	NM	NM	2.37x	0.10x	0.09x	0.09x	
NYSE:GPS	The Gap, Inc.	3.75x	4.17x	4.03x	0.48x	0.50x	0.50x	
NasdaqGS:PLCE	The Children's Place, Inc.	5.96x	5.74x	5.49x	0.64x	0.64x	0.64x	
Median		4.58x	4.05x	3.69x	0.45x	0.44x	0.44x	
Low		3.21x	3.15x	2.20x	0.08x	0.09x	0.08x	
High		5.96x	5.74x	5.49x	0.73x	0.71x	0.70x	
Mean		4.55x	4.39x	3.84x	0.42x	0.42x	0.42x	
Median		4.58x	4.05x	3.69x	0.45x	0.44x	0.44x	

(1) LTM EBITDA for CHS is net of Boston Proper, which was sold to Brentwood Associates.

(2) LTM and FY+1 EBITDA multiples are not meaningful due to the company's marginal profitability levels.

**Guideline Public Company Analysis: Valuation Metrics and Benchmarking Analysis**

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Tier	Company Name	EBITDA Margin						EBITDA Growth						Gross Profit Margin (3)			
		FY-2		FY-1		FY+2		FY-2		FY-1		FY+1		FY+2		FY	
		FY-2	FY-1	FY	FY	FY+2	FY	FY	FY	FY	FY	FY	FY	FY	FY	FY	
<b>Tier 1</b>																	
NYSE:ANF	Abercrombie & Fitch Co.	10.8%	10.9%	9.9%	9.4%	10.0%	(25.5%)	(8.1%)	(14.7%)	(6.6%)	7.7%	62.6%	61.8%	61.9%	61.9%	61.9%	
NYSE:AEO	American Eagle Outfitters, Inc.	9.7%	10.6%	13.3%	14.2%	14.6%	(42.7%)	9.3%	34.2%	10.4%	5.5%	42.3%	44.4%	45.7%	45.7%	45.7%	
Median		10.3%	10.8%	11.6%	11.8%	12.3%	(34.1%)	0.6%	9.7%	1.9%	6.6%	52.4%	53.1%	53.8%	53.8%	53.8%	
<b>Tier 2</b>																	
NYSE:EXPR	Express Inc.	12.8%	9.9%	12.0%	11.6%	11.9%	(11.1%)	(24.7%)	32.4%	(4.5%)	6.6%	41.9%	40.7%	43.4%	43.4%	43.4%	
NYSE:CHS	Chico's FAS Inc. (1)	12.9%	10.7%	11.2%	10.1%	11.2%	(16.6%)	(14.2%)	NM	(12.0%)	11.1%	54.8%	53.3%	54.1%	54.1%	54.1%	
NYSE:NMW	New York & Company Inc.	3.8%	2.3%	2.5%	2.8%	3.8%	(3.7%)	(41.7%)	14.5%	5.3%	43.1%	38.3%	37.6%	38.4%	38.4%	38.4%	
NasdaqGS:ASNA	Ascena Retail Group Inc.	10.5%	9.2%	7.8%	10.3%	12.0%	13.0%	(11.6%)	(14.7%)	94.8%	6.5%	55.1%	55.5%	55.6%	55.6%	55.6%	
NYSE:CBK	Christopher & Banks Corporation (2)	5.1%	5.1%	0.3%	1.3%	3.8%	NM	NM	NM	NM	NM	47.4%	49.2%	48.6%	48.6%	48.6%	
NYSE:GPS	The Gap, Inc.	16.2%	15.7%	13.8%	12.0%	12.4%	8.0%	(1.4%)	(15.5%)	(16.7%)	3.3%	46.9%	46.3%	44.7%	44.7%	44.7%	
NasdaqGS:PLCE	The Children's Place, Inc.	9.6%	9.1%	10.0%	11.2%	11.6%	(5.9%)	(6.0%)	8.5%	12.8%	4.5%	46.6%	44.5%	45.4%	45.4%	45.4%	
Median		10.5%	9.2%	10.0%	10.3%	11.6%	(4.8%)	(12.9%)	8.5%	0.4%	6.6%	46.9%	46.3%	45.4%	45.4%	45.4%	
<b>Low</b>																	
Low		3.8%	2.3%	0.3%	1.3%	3.8%	(42.7%)	(41.7%)	(15.5%)	(16.7%)	3.3%	38.3%	37.6%	38.4%	38.4%	38.4%	
High		16.2%	15.7%	13.8%	14.2%	14.6%	(13.0%)	9.3%	34.2%	43.1%	62.6%	61.8%	61.9%	61.9%	61.9%	61.9%	
Mean		10.2%	9.3%	9.0%	9.2%	10.2%	(10.6%)	(12.3%)	6.4%	10.4%	11.0%	48.4%	48.1%	48.6%	48.6%	48.6%	
<b>Median</b>																	
OTCPK:AROP.Q	Aéropostale, Inc.	10.5%	9.9%	10.0%	10.3%	11.6%	(8.5%)	(9.9%)	8.5%	0.4%	6.6%	46.9%	46.3%	45.7%	45.7%	45.7%	

(1) FY EBITDA for CHS is net of Boston Proper, which was sold to Brentwood Associates.

(2) EBITDA growth is not meaningful due to the company's marginal profitability.

(3) Gross Margin excludes rent and advertising costs.

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Ticker	Company Name	Expense Margins						Advertising as % of Sales					
		SG&A as % of Sales (1)			Rent as % of Sales			SG&A as % of Sales (1)			Rent as % of Sales		
		FY-2	FY-1	FY	FY-2	FY-1	FY	FY-2	FY-1	FY	FY-2	FY-1	FY
<b>Tier 1</b>													
NYSE:ANF	Abercrombie & Fitch Co.	45.3%	43.7%	44.7%	10.5%	10.9%	11.1%	1.7%	2.3%	2.3%			
NYSE:AEO	American Eagle Outfitters, Inc.	25.5%	25.8%	24.8%	8.6%	9.2%	8.7%	2.6%	2.9%	2.9%			
Median		35.4%	34.8%	34.7%	9.6%	10.0%	9.9%	2.1%	2.6%	2.6%			
<b>Tier 2</b>													
NYSE:EXPR	Express Inc.	18.9%	19.4%	20.3%	9.6%	10.2%	9.6%	3.9%	4.8%	4.7%			
NYSE:CHS	Chico's FAS Inc.	31.7%	32.0%	32.4%	8.9%	9.5%	10.1%	5.9%	5.7%	5.7%			
NYSE:NWY	New York & Company Inc.	24.5%	24.1%	24.2%	10.2%	10.5%	10.5%	3.3%	3.6%	3.6%			
NasdaqGS:ASNA	Ascena Retail Group Inc.	33.2%	35.5%	36.8%	11.5%	11.5%	11.8%	3.6%	3.3%	3.3%			
NYSE:CBK	Christopher & Banks Corporation	30.9%	31.1%	34.7%	12.7%	13.9%	14.8%	1.7%	1.9%	1.9%			
NYSE:GPS	The Gap, Inc.	21.7%	21.7%	22.3%	7.9%	8.0%	8.0%	3.9%	3.9%	3.9%			
NasdaqGS:PLCE	The Children's Place, Inc.	29.3%	27.9%	28.2%	9.5%	9.2%	9.1%	1.9%	1.8%	1.6%			
Median		29.3%	27.9%	28.2%	9.6%	10.2%	10.1%	3.6%	3.6%	3.7%			
Low		18.9%	19.4%	20.3%	7.9%	8.0%	8.3%	1.7%	1.8%	1.6%			
High		45.3%	43.7%	44.7%	12.7%	13.9%	14.8%	5.9%	5.7%	6.1%			
Mean		29.0%	29.0%	29.8%	9.9%	10.3%	10.5%	3.2%	3.4%	3.4%			
Median		29.3%	27.9%	28.2%	9.6%	10.2%	10.1%	3.3%	3.3%	3.7%			
OTCQB:AROP.Q	Aéropostale, Inc.	24.7%	25.9%	26.1%	8.1%	8.8%	9.3%	1.1%	1.5%	1.5%			

(1) Excludes rent and advertising costs.

**Guideline Public Company Analysis: Valuation Metrics and Benchmarking Analysis**  
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Ticker	Company Name	Industry-Specific Metrics					
		Same Store Sales Growth		SSS - 2 Year Stack (1)			
		FY-2	FY-1	FY	FY-2	FY-1	FY
<b>Tier 1</b>							
NYSE:ANF	Abercrombie & Fitch Co.	(11.0%)	(8.0%)	(3.0%)	(12.0%)	(19.0%)	(11.0%)
NYSE:AEO	American Eagle Outfitters, Inc.	(6.0%)	(5.0%)	7.0%	3.0%	(11.0%)	2.0%
Median		(8.5%)	(6.5%)	2.0%	(4.5%)	(15.0%)	(4.5%)
<b>Tier 2</b>							
NYSE:EXPR	Express Inc.	3.0%	(5.0%)	6.0%	3.0%	(2.0%)	1.0%
NYSE:CHS	Chico's FAS Inc.	(1.8%)	-	(1.5%)	5.4%	(1.8%)	(1.5%)
NYSE:WNY	New York & Company Inc.	1.1%	(1.0%)	3.1%	1.2%	0.1%	2.1%
NasdaqGS:ASNA	Ascena Retail Group Inc.	2.0%	-	(1.0%)	7.0%	2.0%	(1.0%)
NYSE:CBK	Christopher & Banks Corporation	8.0%	(2.0%)	(8.3%)	13.9%	6.0%	(10.3%)
NYSE:GPS	The Gap, Inc.	2.0%	-	(4.0%)	7.0%	2.0%	(4.0%)
NasdaqGS:PLCE	The Children's Place, Inc.	(2.8%)	0.4%	0.4%	(0.8%)	(2.4%)	0.8%
Median		2.0%	-	(1.0%)	5.4%	0.1%	(1.0%)
Low		(11.0%)	(8.0%)	(8.3%)	(12.0%)	(19.0%)	(11.0%)
High		8.0%	0.4%	7.0%	13.9%	6.0%	2.1%
Mean		(0.6%)	(2.3%)	(0.1%)	3.1%	(2.9%)	(2.4%)
Median		1.1%	(1.0%)	(1.0%)	3.0%	(1.8%)	(1.0%)
OTCPK:AROP.Q	Aéropostale, Inc.	(15.0%)	(11.0%)	(9.0%)	(17.0%)	(26.0%)	(20.0%)

(1) Same store sales growth on a two year stacked basis is computed by adding the same store sales growth of the period referenced and that of the same fiscal period ended twelve months prior.